

IMPERIAL COUNTY ECONOMIC FORECAST

After a year of sharp job losses, the Imperial County economy has returned to strong job growth. In 2017 the county gained 1,300 jobs, representing a growth rate of 2.0 percent, which is similar to the statewide average.

The county's two most prominent industries are agriculture and government. After years of contraction following the recession of 2007-2009, government agencies in Imperial County have added jobs for the past four years. Virtually all of these jobs have been located in local schools. Imperial County is one of the only regions of California with a growing number of school-aged children, and local schools are hiring to accommodate these new students.

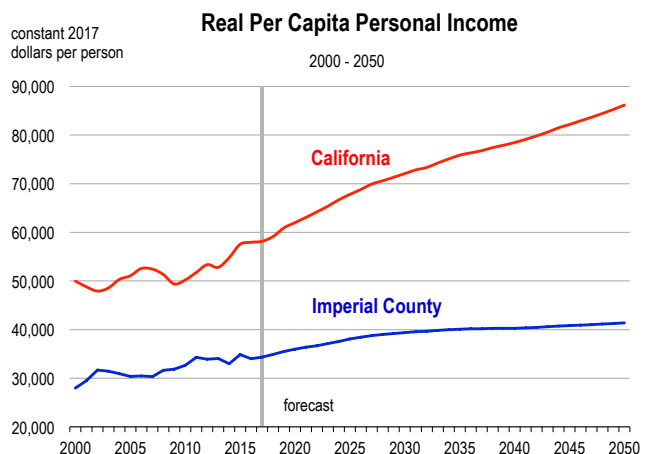
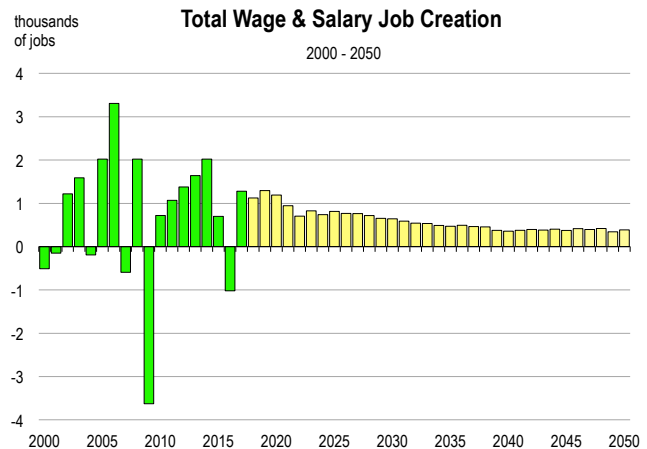
The farm industry thrived until 2013, when it recorded \$2.3 billion in agricultural output. But by 2017, production values had declined, and local farms had reduced their employee headcounts. Some of this weakness was a result of California's drought, which caused farmers to fallow land and led to lower crop yields. But a larger factor was a decline in global commodity prices, which led to less income for local farms and ranches.

Construction activity remains very low in Imperial County. Only 193 homes were built in 2017, which is not enough to accommodate the area's population growth. The Imperial County population is growing quickly, and has expanded by an average of 1.0 percent per year since 2012. Due to a young resident base with a high birth rate, the natural increase (new births) has added 2,100 new residents to the population each year, a large figure for a county of Imperial's size. Because housing production has been minimal, more families have had to share homes, and the number of residents in each household has increased sharply.

The unemployment rate has improved substantially, falling from 23.6 percent in 2016 to 19.3 percent in 2017. But it is still much higher than most parts of California. This is largely due to Imperial County's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. The Imperial County unemployment rate is expected to improve further in 2018 and 2019, at which point it will reach its lowest sustainable level. Once this scenario is reached, job growth will become slower and further improvements in the unemployment rate will become smaller.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 1.7 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.5 percent.
- The strongest employment gains will be observed in education and healthcare, as well as government. Combined, these industries will account for 79 percent of net job creation between 2018 and 2023.

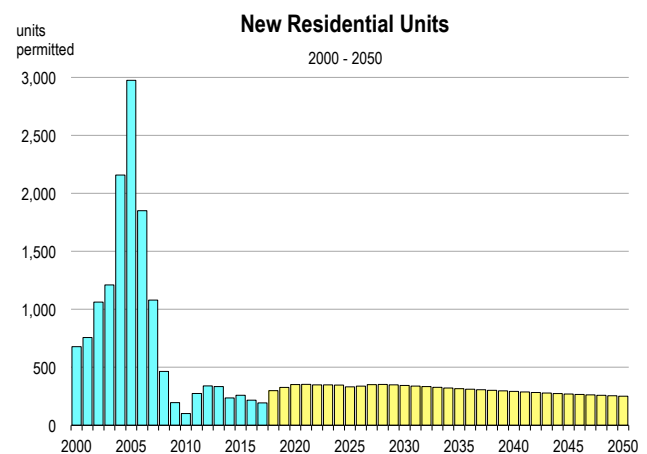
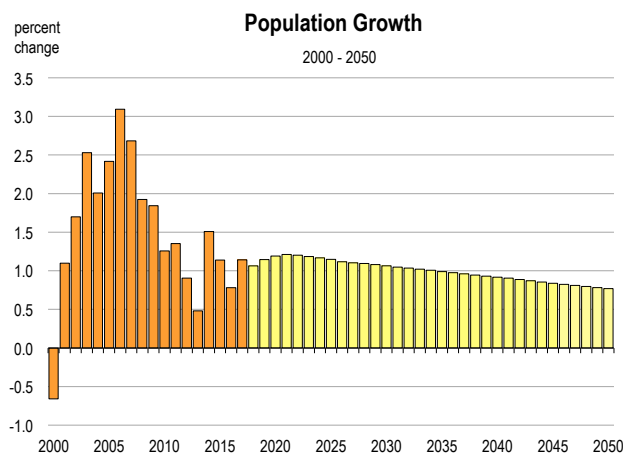


- Average salaries are currently below the California State average, and will remain so over the foreseeable future. In Imperial County, inflation-adjusted salaries are expected to rise by an average of 1.3 percent per year between 2018 and 2023, which will be slower than statewide growth.
- Housing production will accelerate over the forecast period, with an average of 350 units built each year through 2023. But housing production will still not keep pace with population growth, and average household sizes will increase further.
- Because Imperial County has large amounts of buildable land, the development process will spread out into single-family communities, rather than be forced up into multifamily skyscrapers.
- The population will continue to expand quickly. Annual growth in the 2018-2023 period is expected to average 1.2 percent.
- Net migration will remain low, with an average of 220 net migrants entering the county each year through 2023. The natural increase (new births) will add 2,100 residents to the county each year, accounting for virtually all population growth.

Imperial County Economic Forecast

2010-2017 History, 2018-2050 Forecast

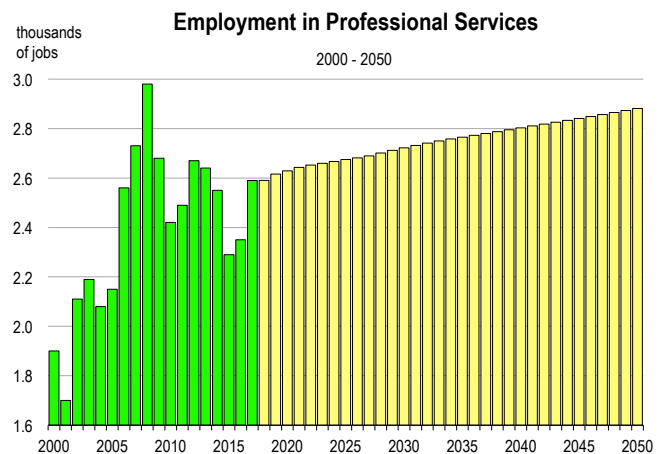
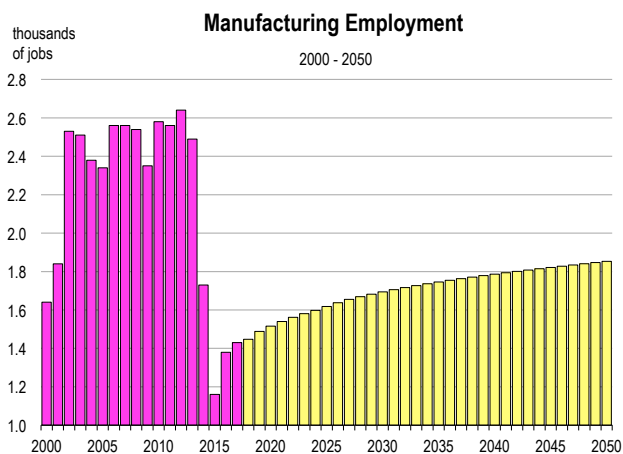
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	175,418	4	155.8	49.1	102	\$1.97	\$5.05	\$32,667	1.2	1.81	0.90	28.8
2011	177,792	246	157.3	49.2	274	\$2.18	\$5.51	\$34,263	2.7	2.17	0.84	28.9
2012	179,402	-443	160.2	49.2	339	\$2.36	\$5.62	\$33,907	2.0	2.11	0.89	27.4
2013	180,267	-1,163	166.4	49.3	334	\$3.66	\$5.73	\$34,040	1.1	2.31	0.90	25.0
2014	182,989	587	171.5	49.5	236	\$2.89	\$5.71	\$32,985	1.3	1.96	0.75	24.0
2015	185,072	-165	180.7	49.7	258	\$2.65	\$6.16	\$34,857	0.9	2.02	0.62	24.1
2016	186,520	-620	191.6	49.9	217	\$2.46	\$6.17	\$34,014	1.9	2.12	0.72	23.6
2017	188,650	19	194.8	50.4	193	\$2.53	\$6.47	\$34,316	2.8	2.10	0.75	19.1
2018	190,657	-76	197.8	50.5	298	\$2.61	\$6.83	\$34,883	2.7	2.12	0.78	17.6
2019	192,841	91	201.1	50.7	326	\$2.72	\$7.19	\$35,512	2.2	2.12	0.79	16.3
2020	195,138	197	204.4	51.0	351	\$2.86	\$7.61	\$35,986	3.2	2.12	0.82	15.9
2021	197,503	259	207.4	51.4	353	\$2.98	\$7.99	\$36,363	2.6	2.12	0.85	15.9
2022	199,878	267	210.1	51.7	348	\$3.10	\$8.36	\$36,687	2.6	2.12	0.88	16.1
2023	202,246	260	213.0	52.1	348	\$3.23	\$8.78	\$37,133	2.5	2.13	0.91	16.5
2024	204,608	255	215.7	52.4	347	\$3.36	\$9.19	\$37,565	2.3	2.13	0.94	16.9
2025	206,958	248	218.4	52.7	331	\$3.50	\$9.63	\$38,067	2.2	2.13	0.96	17.2
2026	209,270	222	220.9	53.1	338	\$3.64	\$10.04	\$38,432	2.1	2.13	0.99	17.5
2027	211,579	229	223.3	53.4	350	\$3.79	\$10.44	\$38,743	2.0	2.14	1.02	17.7
2028	213,896	249	225.6	53.7	352	\$3.94	\$10.87	\$38,990	2.3	2.14	1.05	17.8
2029	216,208	249	227.7	54.1	349	\$4.09	\$11.28	\$39,182	2.1	2.14	1.07	17.9
2030	218,510	249	229.8	54.4	343	\$4.24	\$11.69	\$39,386	2.0	2.14	1.10	17.9
2031	220,800	249	231.8	54.8	338	\$4.40	\$12.10	\$39,560	1.9	2.14	1.13	18.0
2032	223,086	250	233.6	55.1	334	\$4.57	\$12.51	\$39,647	2.1	2.15	1.16	18.1
2033	225,364	248	235.4	55.4	327	\$4.74	\$12.92	\$39,825	1.7	2.15	1.19	18.1
2034	227,634	246	237.1	55.7	321	\$4.92	\$13.35	\$39,971	1.9	2.15	1.22	18.1
2035	229,887	243	238.8	56.1	316	\$5.11	\$13.80	\$40,095	2.0	2.16	1.25	18.2
2036	232,130	243	240.3	56.4	311	\$5.31	\$14.29	\$40,153	2.4	2.16	1.28	18.3
2037	234,360	242	241.7	56.7	307	\$5.51	\$14.80	\$40,164	2.5	2.16	1.32	18.3
2038	236,575	243	243.2	57.0	301	\$5.70	\$15.32	\$40,252	2.3	2.16	1.35	18.3
2039	238,777	243	244.5	57.3	297	\$5.90	\$15.87	\$40,267	2.5	2.17	1.38	18.3
2040	240,967	242	245.8	57.6	292	\$6.09	\$16.41	\$40,278	2.4	2.17	1.42	18.4
2041	243,149	241	247.0	57.9	287	\$6.27	\$16.95	\$40,345	2.2	2.17	1.45	18.4
2042	245,306	240	248.4	58.1	283	\$6.46	\$17.52	\$40,466	2.1	2.18	1.49	18.4
2043	247,443	241	249.6	58.4	278	\$6.65	\$18.08	\$40,567	2.0	2.18	1.52	18.4
2044	249,558	242	250.9	58.7	273	\$6.83	\$18.63	\$40,702	1.8	2.18	1.56	18.5
2045	251,650	243	252.2	59.0	270	\$7.02	\$19.22	\$40,799	2.0	2.19	1.60	18.5
2046	253,724	245	253.4	59.2	266	\$7.22	\$19.82	\$40,922	1.9	2.19	1.64	18.5
2047	255,782	248	254.7	59.5	262	\$7.42	\$20.41	\$41,020	1.9	2.19	1.68	18.5
2048	257,821	251	256.0	59.8	259	\$7.62	\$21.05	\$41,167	1.9	2.20	1.72	18.4
2049	259,838	253	257.1	60.0	255	\$7.83	\$21.68	\$41,256	1.9	2.20	1.77	18.4
2050	261,837	256	258.4	60.3	251	\$8.05	\$22.34	\$41,385	1.9	2.20	1.81	18.4

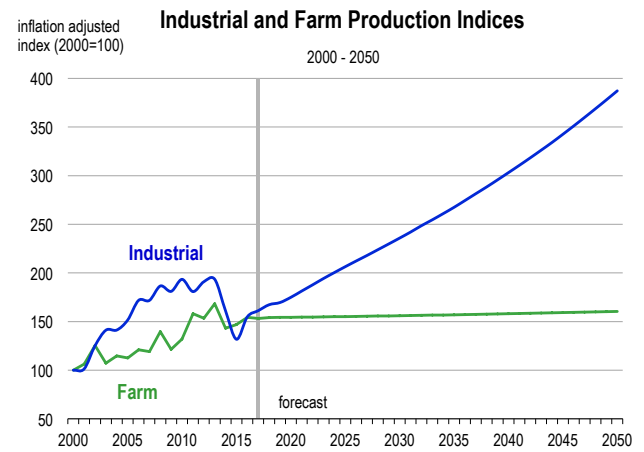
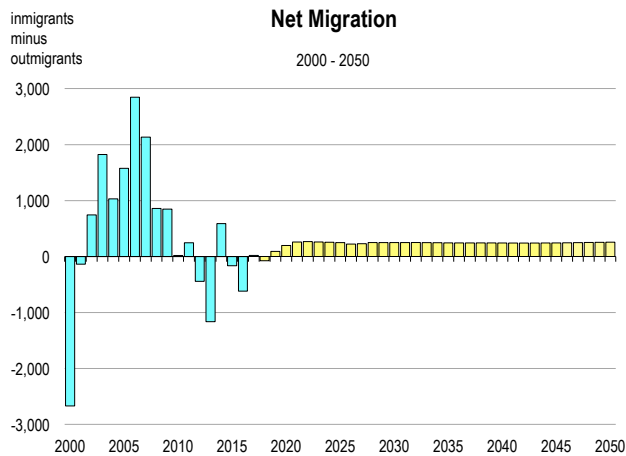
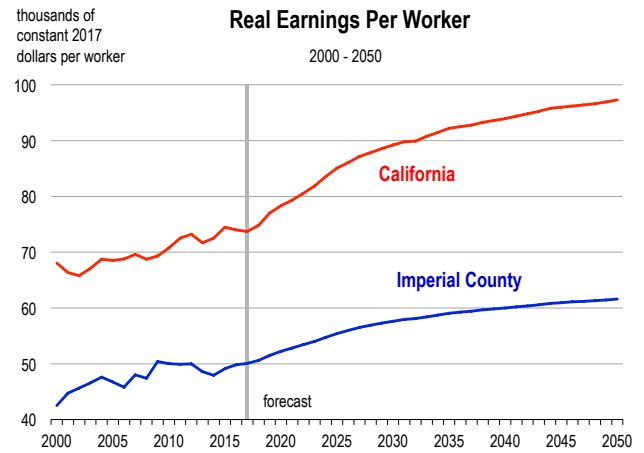
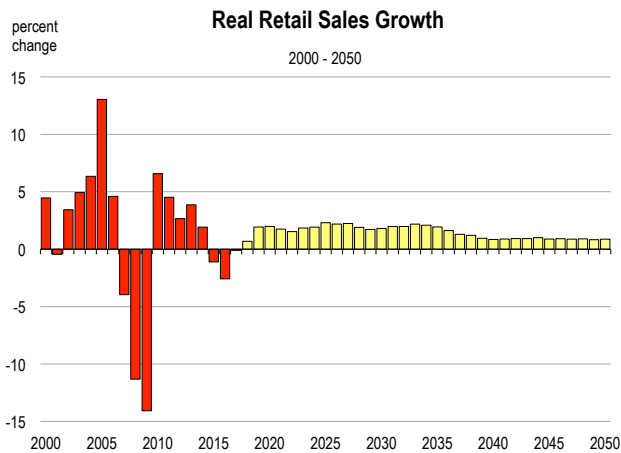


Imperial County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	57.8	9.1	1.2	2.6	1.8	8.6	1.3	2.4	0.4	7.9	3.3	18.4
2011	58.9	10.4	1.4	2.6	1.8	8.7	1.3	2.5	0.4	7.6	3.4	18.1
2012	60.3	10.7	1.5	2.6	1.8	9.1	1.4	2.7	0.4	7.7	3.6	17.9
2013	61.9	10.9	2.0	2.5	2.0	9.3	1.5	2.6	0.3	8.3	3.9	17.7
2014	63.9	12.2	2.3	1.7	2.1	9.9	1.5	2.6	0.3	8.6	4.0	17.9
2015	64.6	13.1	2.6	1.2	2.1	10.0	1.5	2.3	0.3	8.8	4.2	17.9
2016	63.6	11.4	1.8	1.4	2.4	9.9	1.4	2.4	0.3	9.2	4.4	18.2
2017	64.9	11.7	1.8	1.4	2.5	10.0	1.3	2.6	0.3	9.5	4.3	18.5
2018	66.0	11.6	1.9	1.4	2.6	10.1	1.3	2.6	0.3	10.0	4.4	18.9
2019	67.3	11.5	2.0	1.5	2.6	10.2	1.3	2.6	0.3	10.5	4.5	19.5
2020	68.5	11.5	2.0	1.5	2.7	10.3	1.3	2.6	0.3	10.9	4.5	19.9
2021	69.4	11.5	1.9	1.5	2.7	10.3	1.3	2.6	0.3	11.4	4.5	20.3
2022	70.1	11.5	1.8	1.6	2.7	10.4	1.3	2.7	0.3	11.7	4.6	20.5
2023	71.0	11.6	1.8	1.6	2.8	10.5	1.3	2.7	0.3	12.1	4.6	20.7
2024	71.7	11.6	1.8	1.6	2.8	10.6	1.3	2.7	0.3	12.4	4.6	20.9
2025	72.5	11.6	1.8	1.6	2.8	10.7	1.3	2.7	0.3	12.8	4.6	21.2
2026	73.3	11.6	1.8	1.6	2.9	10.9	1.3	2.7	0.3	13.1	4.7	21.4
2027	74.0	11.6	1.8	1.7	2.9	11.0	1.3	2.7	0.3	13.4	4.7	21.6
2028	74.8	11.6	1.8	1.7	2.9	11.1	1.3	2.7	0.3	13.7	4.7	21.9
2029	75.4	11.6	1.8	1.7	2.9	11.2	1.3	2.7	0.3	14.0	4.7	22.1
2030	76.1	11.6	1.8	1.7	2.9	11.3	1.3	2.7	0.3	14.2	4.8	22.2
2031	76.6	11.7	1.8	1.7	3.0	11.4	1.3	2.7	0.3	14.4	4.8	22.4
2032	77.2	11.7	1.8	1.7	3.0	11.5	1.3	2.7	0.3	14.6	4.8	22.5
2033	77.7	11.7	1.8	1.7	3.0	11.7	1.3	2.7	0.3	14.8	4.8	22.7
2034	78.2	11.7	1.8	1.7	3.0	11.8	1.3	2.8	0.3	15.0	4.9	22.8
2035	78.7	11.7	1.8	1.7	3.0	11.9	1.3	2.8	0.3	15.1	4.9	22.9
2036	79.2	11.7	1.8	1.8	3.0	12.0	1.3	2.8	0.3	15.3	4.9	23.0
2037	79.6	11.7	1.8	1.8	3.1	12.1	1.3	2.8	0.3	15.5	5.0	23.1
2038	80.1	11.8	1.8	1.8	3.1	12.2	1.3	2.8	0.3	15.6	5.0	23.2
2039	80.5	11.8	1.8	1.8	3.1	12.3	1.3	2.8	0.3	15.8	5.0	23.3
2040	80.8	11.8	1.8	1.8	3.1	12.3	1.3	2.8	0.3	15.9	5.0	23.4
2041	81.2	11.8	1.8	1.8	3.1	12.4	1.3	2.8	0.3	16.0	5.1	23.5
2042	81.6	11.8	1.8	1.8	3.1	12.5	1.3	2.8	0.3	16.1	5.1	23.6
2043	82.0	11.8	1.8	1.8	3.2	12.5	1.3	2.8	0.3	16.3	5.1	23.8
2044	82.4	11.9	1.8	1.8	3.2	12.6	1.3	2.8	0.3	16.4	5.2	23.9
2045	82.8	11.9	1.8	1.8	3.2	12.7	1.3	2.8	0.3	16.5	5.2	24.0
2046	83.2	11.9	1.8	1.8	3.2	12.8	1.3	2.8	0.3	16.6	5.2	24.1
2047	83.6	11.9	1.8	1.8	3.2	12.8	1.3	2.9	0.3	16.7	5.3	24.3
2048	84.0	11.9	1.8	1.8	3.3	12.9	1.3	2.9	0.3	16.9	5.3	24.4
2049	84.3	11.9	1.8	1.8	3.3	13.0	1.3	2.9	0.3	16.9	5.3	24.5
2050	84.7	12.0	1.8	1.9	3.3	13.0	1.3	2.9	0.3	17.0	5.4	24.6





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	9.4%
Expected job growth:	7.5%
Fastest growing jobs sector:	Education and Healthcare
Expected personal income growth:	12.9%

Expected population growth:	6.1%
Net migration to account for:	9.3%
Expected growth in number of vehicles:	7.7%

Demographics (2018)

Unemployment rate (April 2018):	14.4%
County rank* in California (58 counties):	57th
Working age (16-64) population:	61.7%

Population with B.A. or higher:	14.1%
Median home selling price (2017):	\$215,000
Median household income:	\$44,522

Quality of Life

Violent crime rate (2016):	358 per 100,000 persons
County rank* in California (58 counties):	27th
Average commute time to work (2018):	23 minutes

High School drop out rate (2017):	4.8%
Households at/below poverty line (2018):	22.2%

* The county ranked 1st corresponds to the lowest rate in California